

13 December 2022

Hon. Martin Glenn  
Chief United States Bankruptcy Judge  
United States Bankruptcy Court  
Southern District of New York  
One Bowling Green, Courtroom 523  
New York, New York 10004-1408

Re: Celsius Network LLC, et al. ("Celsius"), Case Number 22-10964-MG

Dear Chief Judge Glenn,

I am a retired public servant in Ohio, with a pension and probably a good example of a large majority of the customers world wide who just wanted to protect the value of their meager retirement funds for the future. The opportunity to escape from the traditional banking system that is progressing towards negative earnings for savings accounts was a large incentive that Celsius offered. I have an example I would like you to examine and analyze from your perspective as our "public defender" with your many years of experience sitting as a respected Judge on the Court in New York. I am just a poor pensioner with no legal training at all so I defer to your expertise.

I imagine there is some bank in New York that has travelers from all over the world who are coming here from all different countries and deposit their currencies to convert to our currency in order to make transactions here for whatever amount of time they spend here more convenient and likewise there are our people here that deposit our currency in the same bank that want to convert it to the currency of the country they are traveling to in order that transactions will be easier for them in that country. Any of these customers may return after their trip and want to convert their remaining currency back to their "in kind" currency. I am sure they understand that they will not receive their original bank notes back but "in kind" notes. The bank has commingled all the assets deposited by all these travelers in order to do their various business dealings in order to make a profit since that is what a profitable business should do. I think this is what everyone expects a business to do to remain profitable. When the customer returns to exchange his currency he will be paid with whatever funds have come in that day. I think this is normal practice and not a Ponzi scheme, but I am no lawyer. This same bank may suggest you deposit your currency in a savings account for them to use to make business profit for them and they will pay you a dividend for that service. The bank will keep meticulous records of what funds you have in your account and also what funds they have deposited in your account for your dividend payments. They will then send you and the IRS annual statements of all the payments because it is considered income for you and it is taxable income. The bank may also make bad investments and not make any return or even lose all your money, but here in the USA we have insurance for that. The customer may still only receive a percentage of their currency back from the bank- I don't know how that works but I think all the customers will have lost the same percentage of their currency.

Sir, my wife and I use the investment advisor at our bank branch and she follows his advice and has bought bonds, we are both over 70 so he tells her when she has to sell some by IRS rules so we don't get in trouble. He has told us not to sell any more than allowed or we will have to pay a capital gains tax. I am a poor old pensioner but I know what extra taxes mean and I am on a fixed income and have no extra funds for extra taxes. I used Celsius for my funds because I found out that if I needed to get money for an emergency-medical or otherwise- I could borrow against my crypto at Celsius and not pay capital gains taxes. I converted my IRA to crypto for just that reason. I also know that the people at Celsius must have known it also. They knew that is why so many of us wanted to use their borrow service. If I knew, don't you think people with real money knew it also? Do you think they would be dumb enough to risk having to pay capital gains each time? I get a statement each year from Celsius listing what they have paid me in dividends, there is never any mention of capital gains taxes due for their purchase of my coins. Do you really think they were not aware that if they owned my coins then I owed capital gains tax? One last point, Celsius has stated that they comingled everything in order to deploy the funds in any way that could be profitable. I say good for them, I think that is what regular banks do, but the market collapsed and all of us got caught short. We all knew the risk but everyone with the comingled coins should take the same percentage hit on our coins. I would like to think the collateral for my loans is exempt from the hit but that is your expertise. I am also in earn because when the collapse hit, they liquidated one of my loans whether I liked it or not and transferred the remainder to earn. You may not be aware of it but some of the coins I bought are worth less than a dollar each now and I originally paid hundreds for them. I would like my percentage of them back and take the chance that the market will come back eventually. You are not doing me any favors by giving me the cash for my coins when they were valued at their lowest point and now I will have to pay capital gains also. That is like selling Microsoft years ago when it was worth pennies. This economy is enough of a challenge already without any of my nest egg surviving.

Best regards,

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